

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

15 - 0003

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2015

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 \$0

b. FFY 2016 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Page 19

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 4.19-B, Page 19

10. SUBJECT OF AMENDMENT:

Update of the Ambulatory Surgical Center (ASC) budget neutrality factor.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 30, 2015

16. RETURN TO:

Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

24. Ambulatory Surgical Centers

Reimbursement to individual Medicare-certified Ambulatory Surgical Centers (ASCs) for outpatient services provided in the ASC setting on or after January 1, 2011 is calculated by applying the MDCH outpatient prospective payment system (OPPS) reduction factor (RF) to current Medicare ASC reimbursement rates. Medicare ASC rate x RF = Medicaid rate.

State-developed fee schedule rates are the same for both governmental and private ASC providers. The ASC reduction factor is monitored and adjusted in accordance with the OPPS reduction factor schedule. The state maintains an up to date reduction factor history posting on the MDCH website that includes the current OPPS/ASC reduction factor, as well as historical OPPS/ASC reduction factors. As of January 1, 2014 ~~2015~~ the OPPS/ASC reduction factor is **52.3** ~~53.4~~%. A wage index of 1.0 is applied for all ASCs. Services paid by Medicare at reasonable cost and contractor priced items are paid by applying the Medicaid state-wide outpatient hospital cost to charge ratio to the Medicare ASC rate. All rates including the ASC wrap list are published on the MDCH website at <http://michigan.gov/mdch>.

When service coverage or reimbursement methodology differences exist between Medicare and Medicaid, Medicaid fee schedules are used.



3990794

Order Confirmation

Ad Order Number 0007202853

Customer

Account: 1000813740
MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
PO BOX 30479
LANSING MI 48909-7979 USA
(517)241-9444

Payer Customer

Account: 1000813740
MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
PO BOX 30479
LANSING MI 48909-7979 USA
(517)241-9444

PO Number

Sales Rep. kjones

Order Taker kjones

Order Source

Special Pricing

FAX:

smithp2@michigan.gov

Tear Sheets	0	Net Amount	\$719.32
Proofs	0	Tax Amount	\$0.00
Affidavits	0	Total Amount	\$719.32
Blind Box		Payment Method	Invoice
Promo Type		Payment Amount	\$0.00
Materials		Amount Due	\$719.32
Invoice Text	UPDATE OF OPPS/ASC REDUCTION FACTOR		

Ad Schedule

Product Flint Journal

Inserts 1

Cost \$182.13

Ad Type CLS Liner

Pick Up #

External Ad #

Production Method AdBooker

Run Dates Sort Text PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONUPDATEOFOP
01/18/2015

Placement/Class Announcements

POS/Sub-Class Public Notices - Public Notices

AdNumber 0007202853-01

Ad Size 1 X 49.00 II

Ad Attributes

Color <NONE>

Production Notes

Product MMG_Other Premium

Inserts 1

Cost \$65.39

Ad Type CLS Liner

Pick Up #

External Ad #

Production Method AdBooker

Run Dates Sort Text PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONUPDATEOFOP
01/18/2015

Placement/Class Announcements

POS/Sub-Class Public Notices - Public Notices

AdNumber 0007202853-01

Ad Size 1 X 49.00 II

Ad Attributes

Color <NONE>

Production Notes

Product Grand Rapids Press

Inserts 1

Cost \$313.85

Ad Type CLS Liner

Pick Up #

External Ad #

Production Method AdBooker

Run Dates Sort Text PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONUPDATEOFOP
01/18/2015

Placement/Class Announcements

POS/Sub-Class Public Notices - Public Notices

AdNumber 0007202853-01

Ad Size 1 X 49.00 II

Ad Attributes

Color <NONE>

Production Notes

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1/15/2015

3:19PM

<i>Product</i>	Kalamazoo Gazette	<i>Placement/Class</i>	Announcements
<i># Inserts</i>	1	<i>POS/Sub-Class</i>	Public Notices - Public Notices
<i>Cost</i>	\$75.63	<i>AdNumber</i>	0007202853-01
<i>Ad Type</i>	CLS Liner	<i>Ad Size</i>	1 X 49.00 li
<i>Pick Up #</i>		<i>Ad Attributes</i>	
<i>External Ad #</i>		<i>Color</i>	<NONE>
<i>Production Method</i>	AdBooker	<i>Production Notes</i>	
<i>Run Dates</i>	<i>Sort Text</i>	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONUPDATEOFOP	
01/18/2015			

<i>Product</i>	Saginaw News	<i>Placement/Class</i>	Announcements
<i># Inserts</i>	1	<i>POS/Sub-Class</i>	Public Notices - Public Notices
<i>Cost</i>	\$82.32	<i>AdNumber</i>	0007202853-01
<i>Ad Type</i>	CLS Liner	<i>Ad Size</i>	1 X 49.00 li
<i>Pick Up #</i>		<i>Ad Attributes</i>	
<i>External Ad #</i>		<i>Color</i>	<NONE>
<i>Production Method</i>	AdBooker	<i>Production Notes</i>	
<i>Run Dates</i>	<i>Sort Text</i>	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONUPDATEOFOP	
01/18/2015			

0007202853-01

Ad Content Proof

PUBLIC NOTICE
Michigan Department
of Community Health
Medical Services
Administration
Update of OPPS/ASC Re-
duction Factor
The Michigan Department of Community Health will update the Ambulatory Surgical Center (ASC) and Outpatient Prospective Payment System (OPPS) Reduction factor to maintain budget neutrality for the Medicaid program in response to a Medicare rate change. This change will be completed in a manner that is budget neutral to the State of Michigan, and is effective January 1, 2015.

Comments

Any comments on, or requests for copies of the Notice of Proposed Policy may be submitted in writing to: Michigan Department of Community Health, Actuarial Division, Bureau of Medicaid Policy and Health System Innovation, Attention Ben Ayres, P.O. Box 30479, Lansing, Michigan 48909-7979. Written comments may be reviewed by the public at Capitol Commons Center, 400 South Pine Street, Lansing, Michigan. Request for copies and comments must include the project number. There is no public hearing scheduled for this proposed policy.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

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State-developed fee schedule rates are the same for both governmental and private ASC providers. The ASC reduction factor is monitored and adjusted in accordance with the OPPS reduction factor schedule. The state maintains an up to date reduction factor history posting on the MDCH website that includes the current OPPS/ASC reduction factor, as well as historical OPPS/ASC reduction factors. As of January 1, 2014 ~~2015~~ the OPPS/ASC reduction factor is **52.3** 53.4%. A wage index of 1.0 is applied for all ASCs. Services paid by Medicare at reasonable cost and contractor priced items are paid by applying the Medicaid state-wide outpatient hospital cost to charge ratio to the Medicare ASC rate. All rates including the ASC wrap list are published on the MDCH website at <http://michigan.gov/mdch>.

When service coverage or reimbursement methodology differences exist between Medicare and Medicaid, Medicaid fee schedules are used.



STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

January 29, 2015

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Update of Ambulatory Surgical Center (ASC) and Outpatient Prospective Payment System (OPPS) Reduction Factor

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

Pending approval by the Centers for Medicare and Medicaid Services, the Michigan Medicaid State Plan will update the ASC and OPPS reduction factor to maintain budget neutrality in response to a Medicare rate change. This change will be effective for dates of service on or after January 1, 2015. The reduction factor will be adjusted from its prior rate of 53.4% to a new rate of 52.3%. This change maintains reimbursement from Medicaid for outpatient services and ambulatory surgical centers at the rate for prior years. The State of Michigan expects these changes will have little or no impact on tribal members.

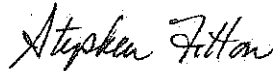
There is no public hearing scheduled for this State Plan Amendment. Input regarding this Amendment is highly encouraged, and comments regarding this Notice of Intent may be submitted to Lorna Elliott-Egan, MDCH Liaison to the Michigan Tribes. Lorna can be reached at (517) 373-4963 or via e-mail at Elliott-EganL@michigan.gov. **Please provide all input by March 1, 2015.**

In addition, MDCH is offering to set up group or individual meetings for the purposes of consultation in order to discuss this Amendment, according to the tribes' preference. This consultation meeting will allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. If you would like additional information or wish to schedule a consultation meeting, please contact Lorna Elliott-Egan at the telephone number or email address provided above.

L 15-08
January 29, 2015
Page 2

MDCH appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

Sincerely,

A handwritten signature in cursive script, reading "Stephen Fitton".

Stephen Fitton, Director
Medical Services Administration

cc: Leslie Campbell, Region V, CMS
Pamela Carson, Region V, CMS
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of
Southeastern Michigan
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDCH

**Distribution List for L 15-08
January 29, 2015**

Mr. Levi Carrick, Sr., Tribal Chairman, Bay Mills Indian Community
Ms. Vicki Newland, Health Director, Bay Mills (Ellen Marshall Memorial Center)
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center
Mr. Donald Shalfoe Sr., President, Keweenaw Bay Indian Community
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility
Mr. James Williams, Jr., Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians
Ms. Sadie Valliere, Health & Human Services Director, Lac Vieux Desert Band
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians
Ms. Jessica Burger, Acting Health Director, Little River Band of Ottawa Indians
Mr. Fred Kiogima, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department
Mr. John Warren, Tribal Chairman, Pokagon Band of Potawatomi Indians
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services
Mr. Steve Pego, Tribal Chief, Saginaw Chippewa Indian Tribe
Mrs. Karmen Fox, Executive Health Director, Nimkee Memorial Wellness Center
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians
Ms. Bonnie Culf, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Leslie Campbell, Region V, CMS
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Lorna Elliott-Egan, MDCH